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Housekeepers' Chat

Tues., Jan. 3, 1928

(NOT FOR PUBLICATION)

Subject: "We Hereby Highly Resolve." Material prepared especially for "Housekeepers' Chat" program by Mrs. Chase G. Woodhouse, Home Economist, Bureau of Home Economics, U. S. Dept. of Agriculture.

Free bulletin available: "Planning and Recording Family Expenditures."

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The other day I called on a friend who has made a special study of budgets. She has given me some very excellent advice about spending money wisely, and I knew she would be interested in today's talk, about budgeting.

"Mrs. Woodhouse," I said, for that is her real name, and I see no reason for not using it, "Mrs. Woodhouse, would you like to talk to my radio friends, and to me, about budgeting? You see most of us highly resolve, every year, to spend our money wisely, and have some left at the end of the year. But do we have any left, at the end of the year? Well, perhaps a few of us do, but more of us do not. Couldn't you help us?"

"Perhaps I could," said Mrs. Woodhouse. "Of course I can't make a model spending plan, for you or for anybody else, but maybe I could give you and your friends some suggestions. I can't talk to your radio friends, but I might write a talk for them. You can broadcast it, Aunt Sammy."

Mrs. Woodhouse was as good as her word, and this morning I'm going to read you what she has written about spending money. You can depend upon her advice, for she has made a careful study of budgeting. You may need your pencils, before I begin reading. Everybody ready to listen? Very well -- let's begin:

"In the first place," says Mrs. Woodhouse, "if you are making a spending plan, for the first time, get out all your last year's bills, checks, and accounts. Now, write down your family income. What will you have to spend on the family living this year? This is an easy question to answer, if the money-making members of the family are on regular salaries, but it may be a difficult question, for the family which runs a farm. However, you can go over what has been made on the farm for the past three years, and take an average. Unless things go very wrong, you will likely have the same amount this year.

"Since it is the first time you have made a budget, take out ten per cent of your income, for emergencies. Then distribute the rest, over your different needs. This emergency fund will take care of those places in the budget where you have not allowed enough, and you won't have to upset your whole plan.

"Now, do you women know what you pay for the groceries, and other food, which you buy? Of course you do. Well, write that down, and then the soap, and all the cleaning supplies. The next question is harder. How many times did

the doctor come last year, and what did his visits and medicine cost? Probably this will not be the same in any two years running, but if you are wrong, the emergency fund will take care of it.

"Next, what papers do you subscribe to, and what magazines? Are you buying too many, or do you think you ought to have more? Write down what you think you can afford. And do you have to pay for school books and supplies for the children? And do they have music lessons? And what about carfare to school, and other carfare for the family? Have you thought that out?

And there is the automobile. And don't forget taxes, and insurance.

"What do you usually give to the church, and to the community chest? Do you go to concerts and lectures, and what about the movies? Try to remember what you did last year, and write that down first. We'll add it all up later, and then we may have to change things around a bit. Do you have a radio? And what did the batteries and other things cost you last year? Are you going to need any new pieces of furniture or equipment? Remember all the little things you use in the kitchen. Don't think only of new dining-room chairs and refrigerators when you think of equipment! And the old things. Will some of them need repairing? Then there are the little things that run up in the end, like electric light bulbs, replacement of broken dishes -- for they do break, even when one is as careful as can be -- and, again, there are always new things coming out that save labor. After all, if one can save energy, it is worth all the trouble that it takes to plan the expenditures.

"Our next item is clothes. While the children are young, clothes are not such a problem. But the youngsters will grow up, and be in high school, and 'stepping out,' you know, so you might as well get used to planning. Think back what you bought for each member of the family, and don't forget shoe laces and handkerchiefs. After all, it is the little things that seem never to get into one's plans, but always loom up large, in total spendings. Make a list of the needs of each member for the coming year. You'll get into trouble, if you just list 'Clothes So Much.'

"What about John's tobacco and haircuts, and the children's lollypops? Give each child an allowance. It saves a lot of trouble, and is a real education for the children. Tell them what a plan of expenditure is, and what you are trying to do with your money. When the children go to school, make their allowances large enough to cover carfare, pencils, papers, and treats. Let's not be weak, and hand out more if they spend it all the first day. We are told that it is easier to learn when we are young than when we are old, so let's put that into practice, in spending. It won't make the children mercenary. The better one can handle money, the less one has to think about it.

"Now, let's add up and see where we are. We have taken care of insurance, but not of savings. How close does our total for things we need, come to the total income? Does it allow a fair amount of savings? You think you would like to save a little more? Well, let's go through the lists again. Could we cut down anywhere? Remember, however, that the necessities must be cared for. There is no use having money in the bank, if the children are not getting as good an education as possible, and if Mother is always tired out because she has no labor-saving helps. But let's try to be certain what are necessities, and what

we think are necessities just because the folks over the way have them. Perhaps they do not have insurance and a bank account. We want those, before the frills.

"Now that you have worked out a plan, keep a check on yourself, for a time at least. Get a book and rule it, or buy one ruled, and write down what you spend. We won't ask the different members of the families for details of their allowances. That is information for their own record books, if they want to keep them. But we must keep track of all the other items. Write each down under its proper classification. What you want to know is what you have been spending for running the house, for example, and what has been going for reading matter, and so on.

"And, here's a word of advice to whoever keeps the book. Don't you let anybody tease you if the book won't balance. Just tell those who are interested that you are not running a simple business, that can be judged by a book, balanced in dollars and cents. You are running a home, where success is not measured in dollar profits, but in health, and happiness, and human development. For your purpose, it does not matter a bit, if the two columns of expenditures and income don't quite meet. What you want is a record of what you have got, so that you may study it, and see where to do better, and how to plan so that what you hope to have, five years from now, may be realized, if good planning on your part can bring it."

That's all of Mrs. Woodhouse's talk on Budgeting. If you are interested in the subject, I suggest that you write to me for the new bulletin on Planning and Recording Family Expenditures, which will show you how to rule up a record book, and how to classify your expenditures. This bulletin is free.

Or, if you want a book already made, you can get one by sending fifty cents to the Superintendent of Documents, at the Government Printing Office, Washington, D. C. The book is ready, so those who want to do, and not merely to resolve, can make a real start this new year.

Perhaps I'd better repeat this announcement. If you want a copy of the new loose-leaf account book, made up by Mrs. Woodhouse, please send 50 cents directly to the Superintendent of Documents, Government Printing Office, Washington, D. C.